

AWARENESS AND UTILISATION OF THE BENCHMARKING APPROACH BY THE PRODUCTION ENTERPRISES FROM NORTH BULGARIA

Irina PETROVA^{a*}

^a University of Ruse, Bulgaria

ABSTRACT

The purpose of this paper is to evaluate the degree of awareness and utilisation of the benchmarking approach by the Bulgarian enterprises. To achieve the goal set, the author has conducted her own empirical study. The results from the systematization of the data obtained from the conducted survey and their analysis allow the author to make the following conclusions:

The implementation of benchmarking and the experience of the best is to be used as an opportunity to evaluate one's own level, to obtain a clear and objective perception of the strengths and weaknesses, to determine the objects of improvement correctly and to develop and implement a programme for improving the inefficient activities or processes.

The benefits of incorporating benchmarking into corporate practice show that it is strategically necessary for their further development.

The literature study shows lack or insufficiency of information for implementing the benchmarking approach as an innovative one in the Bulgarian practice.

KEYWORDS: *benchmarking, empirical, innovation, methodology, research, strategy.*

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1. INTRODUCTION

There are many different definitions of benchmarking in literature. They define benchmarking in one or more of the following ways:

- As a standard;
- As a level of excellence achieved;
- As a tool for improvements;
- As a best practice;
- As a permanent object in a predetermined position (Mohapatra, 2012).

As can be seen, the definitions give more weight to one side of benchmarking than another, but in most cases it is perceived as a continuous process of searching for significantly better practices, which lead to excellent outcomes and their adaptation, based on studying the indexes and practices of other organisations (benchmarking partners).

In its essence, benchmarking reaches far beyond comparing with the competitors – its main objective is to discover and study the practices, which lead to the weak spots in productivity. (Kirova, 2011). This is not a way of "copying" the activities of the competitors, a way of finding good practices, looking both into one's own organisation and outside the industry. The main goal of benchmarking is to find the opportunity of achieving competitive advantage and not competitive equality. (Wober, 2002)

* Corresponding author. E-mail address: impetrova@uni-ruse.bg

For the purpose of the present study it is necessary to summarize the main features of benchmarking:

- 1) Benchmarking involves a unity of evaluation and comparison. On this basis it is:
 - Analytical and evaluation method, technology of competitive analysis, related to improving the activity for measuring up to the leaders (Kirova, 2018).
 - It is based on a study of a sample and comparison with it.
- 2) It is a management tool, contributing to the implementation of strategic research and planning, as well as for determining the strategy (Zagorcheva & Pavlov, 2020).
- 3) It is a means of seeking new ideas by studying the behavior and experience of competitors and leaders (Kirova & Velikova, 2016).
- 4) Benchmarking is studying and transferring the leading experience of good practices into the company practice.
- 5) Its realisation in the company is related to correction of the behavior and objectives to improve business performance (Dobrovic et al., 2018).
- 6) It is directed to improving the processes and activities and improving the quality of products and services with the aim of improving competitiveness.
- 7) It is a method, whose efficiency depends on its systematicity and continuity over time, according to changes in the market situation (Simeonova & Nedyalkov, 2019).

As a result from the literature review made by the author, the following conclusions can be made:

- Implementing the benchmarking and the experience of the best should be used as an opportunity for to evaluate of one's own level, to obtain a clear and objective perception of the strengths and weaknesses, to determine the objects of improvement correctly and to develop and implement a programme for improving the inefficient activities or processes (Stevenson, 1996)
- The benefits of applying it in the company practice show that it is strategically needed for their further development; (Andersen, 1999).
- The literature study shows lack or insufficiency of information for implementing the benchmarking approach as an innovative one in the Bulgarian practice.
- To prove the urgency of the problem, namely, the insufficient use of benchmarking as an approach to innovative management, the author has conducted her own empirical study on the degree of using this approach among the Bulgarian companies.

The purpose of this paper is to evaluate the degree of awareness and utilization of the benchmarking approach by the Bulgarian enterprises.

To achieve this purpose, the following research tasks have been formulated:

1. To conduct own empirical study on the degree of awareness and utilization of the benchmarking approach by the Bulgarian enterprises.
2. To systematize and analyse the results from the study.
3. To develop a Concept for implementing benchmarking as an approach to innovative management.
4. To be tested in the management practice of a Bulgarian company, operating in some sections of sector C, according to the National Classifier of Economic Activities (NCEA) – Manufacturing industry.

The object of the study are medium-sized and large manufacturing enterprises.

The subject of the study is the degree of awareness and utilisation of the benchmarking approach for developing an innovation strategy in the Bulgarian manufacturing enterprises.

METHODOLOGY OF THE STUDY

Purpose of the study: Evaluation of the degree of awareness and utilisation of the benchmarking approach by the Bulgarian manufacturing enterprises.

Methods of the study: Own research through conducting:

= a survey among medium-sized and large manufacturing enterprises in Ruse region from different manufacturing spheres (for the purpose of comparative analysis);

= a semi-structured interview among employees at different management levels in the enterprise.

Stages of conducting the survey: for achieving the survey goal and objectives, a plan has been developed, including several stages:

- Stage one – identifying the enterprises that fall into the target group – to identify the units that fall into the general entity, which is the object of this statistical survey, the author has used the report of the National Statistical Institute (NSI) of the Republic of Bulgaria, published on 29.11.2019 (<https://www.nsi.bg/bg>).
- Stage two – collecting primary data through a survey, directed to the management of the companies, included in the target group.
- Stage three – conducting a semi-structured interview with representatives of the management teams, in order to collect expert opinions.

The methodology of the study is described and presented in details in „Methodology for empirical research on benchmarking approach in Bulgarian firms”, (Kirova & Petrova, 2020).

Using the survey, for a period of 12 months (from September 2019 to September 2020) 63 companies were contacted, of which 41 responded and filled in the survey. This is within the set goals.

The survey, conducted by the author, consists of four sections with 47 questions of the type multiple choice and open answers in a text field. The method used for answering the so-called “closed answer” questions is choosing the closest/correct answer/s.

2. ANALYSIS OF SURVEY RESULTS

Summarising the data obtained, it is clearly seen that 59% of the respondents are women and 41% are men. The age of the respondents is mainly between 40 and 49 years – 59%, 27% are between 30 – 39 years old and about 14% are between 50 – 59. From the point of view of education, the results show that the majority – 55% have a master degree, 27% – a bachelor degree and 18% of all the respondents have secondary education.

The respondents' profile from the point of view of the position held in the organisation they represent is very interesting. It shows that 59% of the respondents hold a senior management position, 32% are middle level executives, and only 9% are engaged in administration. The departments where the representatives of the companies surveyed work are as follows: 45% – management department, 23% – manufacturing department, 14% – commercial department, 14% – administrative department and 4% others.

Looking at the answers in terms of experience in the organisation and position held, it can be noted that: 32% have work experience in the organisation up to 5 years, 23% - up to 10 years, 36% - up to 20 years and only 9% over 20 years. Accordingly, in the length of service in the position held, the figures differ insignificantly – up to 5 years – 45%, up to 10 years – 27%, up to 20 years – 23% and over 20 years – 5%.

Processing the responses to the survey, it becomes clear that 50% of the respondents are representatives of medium-sized companies, according to the number of employees criterion, namely, 10 to 15 persons, 18% of which have existed for up to 5 years, 18% – between 5 and 10 years, 27% – between 10 and 20 years, and 37% have been on the market for more than 20 years.

45% of these companies realize their products in the domestic market while the remaining 53% – both in the domestic and the foreign market. 55% of the latter identify the level of competition as extremely high, 36% – as medium and only 9% – as low.

9% of the participating companies have between 50 and 100 employees and have been in the market for more than 10 years. They operate mostly in the foreign market and identify the level of competition as medium and even low.

14% of the participating companies are large, according to the number of employees – between 100 and 200 people. 67% of them have been in the market between 5 and 10 years, and the remaining 33% – over 20 years. All of them operate both in the domestic and the foreign market and determine the level of competition as medium.

27% are large companies with over 200 employees, 16% have been in the market less than 5 years, 17% – between 10 and 20 years and 67% of them have market presence of over 20 years. 16% of these organisations operate in the domestic market, 50% – in the foreign market and 34% – in both, with 83% identifying the level of competition as extremely high while 17% – as medium.

55% of the respondents declared that they fully understand the term *benchmarking*, 32% – are familiar with the term but are not sure of its meaning and only 13% have never heard of it.

When reviewing each group, it becomes obvious that:

Group1 – those who know and understand the meaning of *benchmarking* – 67% of those in the group hold a senior management position, 25% are medium level managers and only 8% are administrative staff. Of all respondents in this group 58% hold a Master degree, 33% – a Bachelor degree and only 8% have secondary education. In this group of respondents who completely understand the term *benchmarking*, 50% evaluate the results from benchmarking studies as „extremely beneficial, always leading to positive outcome“, while the remaining 50% – cannot say. According to only 17% of the group, the analysis of the data obtained from benchmarking studies always lead to changes/ improvements, 42% find positive outcome highly likely, 8% firmly believe that this can never be achieved through benchmarking studies and the remaining 33% cannot say. Regarding whether the improvements resulting from the benchmarking studies can be called innovations – 23% of this group believe that it is quite likely for them to be called so, while 8% firmly believe they are innovations. 25% think this is rather inapplicable while 8% firmly say that this is impossible. The biggest part – 34% – cannot answer this question.

Group 2 – those who are familiar with the term *benchmarking* but are not completely certain what it means – 32%. The structure of this group concerning the position held and education is as follows: 43% – senior managers, 43 % – medium level managers and 14% administrative staff. Education: 58% of the respondents hold a Master degree, 28% – a Bachelor degree and 14% have secondary education. 14% of the respondents in this group evaluate the results from benchmarking as useless, and the remaining 86% cannot answer. According to 43% of the people surveyed in this group, the analysis of data obtained from benchmarking research are not likely to lead to changes/ improvements while the remaining 57% cannot answer this question. As regards whether the improvements, resulting from benchmarking studies can be called innovations, 29% tend to accept this statement as true, or select the answer „rather yes“, 14% would rather not define them as such, another 14% give as an answer a firm no, under no circumstances can they be called innovations and the bigger part – 43% cannot answer this question.

Group 3 – those who have indicated that they are not familiar with the term *benchmarking* – 13%. In this group 67% are senior managers and 33% medium level managers. 67% of the respondents that fall into this group are high school graduates and 33% hold a Master degree. As regards the evaluation of the results from the benchmarking studies, all 100% cannot provide an answer. According to 33% of the group the analysis of data obtained from the benchmarking studies never lead to changes / improvement, while the remaining 67% cannot answer this question. None of the respondents could answer the question whether the improvements from benchmarking studies could be called innovations.

Only 10% of the respondents indicate that in the company they represent, benchmarking studies are frequently conducted. This benchmarking is mainly internal and competitive, directed mostly to the areas of manufacturing, development of new and improvement of existing products, sales and competition, the results are show in figure 1. Half of these 10% indicate that they have staff trained for conducting benchmarking studies.

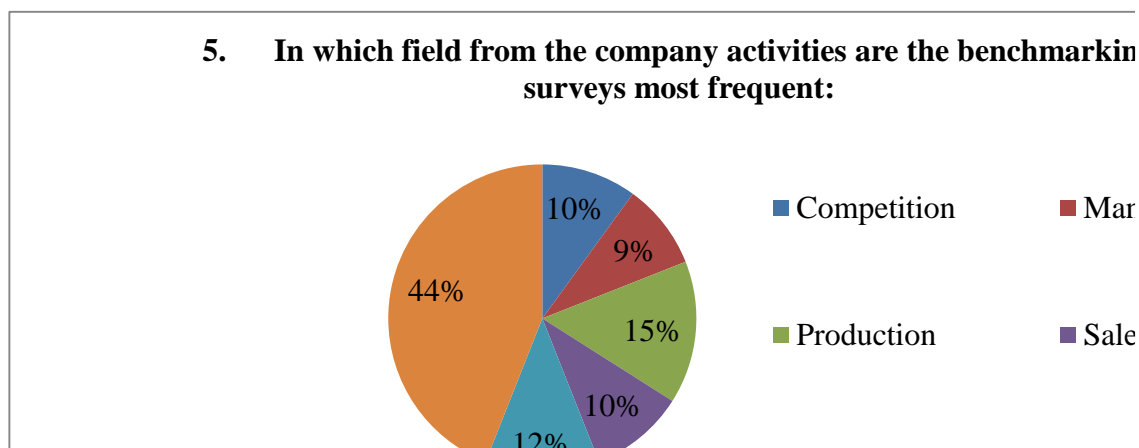


Fig 1. Distribution in percentage of answers to the question: In which field from the company activities are the benchmarking studies most frequent

Another 18% of the respondents share that in their companies benchmarking studies have been conducted more than 3 times. These have been of the type competitive, internal and strategic benchmarking, directed to the areas of competition, manufacturing, management and sales (fig.1). In 75% of these companies there3 is staff trained to conduct benchmarking studies.

5% of the respondents claim that only 1 benchmarking study has been conducted in their companies and the benchmarking used was competitive, directed to developing new and improving existing products. All of them indicated that a benchmarking study has been conducted at least once at their companies, and they have not outsourced it, but have assigned it to a specialised department or employee.

63% of respondents have indicated that no benchmarking study has been conducted in their companies and 4% cannot answer.

The representatives of the companies where benchmarking studies are conducted fairly often (10% of the respondents) identify the results from these studies as „always very beneficial“. Only 50% of them believe that the analysis of data obtained lead to changes/ improvements. Not even one of these 10% can call the improvements, following the benchmarking studies, innovations.

75% of the respondents who said that at least 3 benchmarking studies have been conducted in their companies, evaluate the results obtained as „very beneficial, always leading to positive results“, and the remaining 25% cannot answer. Again 75% of this group believe that the analysis of the data obtained from the benchmarking studies tend to lead to changes/ improvements while the remaining 25% believe that this happens every time. As regards whether the improvements due to the benchmarking studies conducted can be called innovations, this group has split: 25% believe that this is absolutely true, 50% consider it more than likely and 25% tend to disagree with this statement.

The group of the respondents, representing the companies with only one benchmarking study conducted, unequivocally define the results of these studies as useless, more unlikely to lead to changes or improvements. They do not consider the changes resulting from the studies as innovations.

The 63% representatives of companies that have not conducted benchmarking studies cannot evaluate the results they would have obtained, but 8% of them are likely to agree with the statement that the analysis of the data obtained could lead to changes or improvements, and 14% of them believe that these improvements could be called innovations.

Concerning whether the companies represented by the respondents have an Innovation Department, the answers are as follows:

- 5% of the respondents state that in the company they represent there is an Innovation department with clear responsibilities and functions. All of them indicate that this Department reports directly to the senior management. They also say that an innovation strategy is being developed, but not independently and it covers a three-year period (fig.2). All 5% of the respondents state that conducting benchmarking studies and analyzing the results from them is closely related to the innovation strategy developed (fig. 3).
- 41% of the respondents share that in the company they represent there is an Innovations department but it has no clear responsibilities and functions. 11% of them state that the Innovation Department is fully independent, 67% – that this Department reports directly to the senior management while 22% share that it is not quite clear who the Department reports to. As regards whether an innovation strategy is being developed – 11% share that such independent strategy is, in fact, being developed while 89% claim that it is being developed but not as an independent one. The term it covers, according to 11% of this group, is 1 year, 33% indicated that the innovation strategy is developed for a 3-year period, 44% say that the period is 5 years and 12% do not indicate a period – other (fig. 2). As regards whether the benchmarking studies and the analysis of their results are related to the innovation strategy – 11% respond with a firm yes, 44% – not always, 33% are not sure and 12% cannot say (fig.3).
- 45% of the respondents answer that in the companies they represent, there is no Innovations Department. To the question whether an innovation strategy is being developed 10% give an affirmative answer, 30% – yes, but not as an independent one and 60% of the respondents from this group claim that the companies they represent are not developing such a strategy. Of those who have indicated that their company is developing an innovation strategy, 10% indicate that it is developed for a 1-year period, 20% – up to 5 years and the remaining part cannot answer (fig.2). Only 10% of the respondents in this group indicated that he benchmarking studies and the analysis of their results are related to the innovation strategy of their company, another 10% share that it is not always the case and 10% are not sure how to answer while the remaining 60% from this group cannot answer (fig. 3).
- 9% of the respondents cannot answer the question whether the company they represent has an Innovations Department.

4. Which period is the innovation strategy developed for:



Fig 2. Distribution in percentage of answers to the question: Which period is the innovation strategy developed for...

5. Are the benchmarking surveys and the analysis of their results related to the innovation strategy:

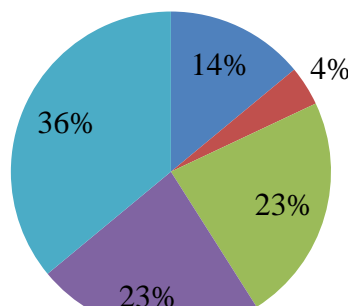


Fig. 3. Distribution in percentage of answers to the question: Are the benchmarking studies and the analysis of their results related to the innovation strategy

In summary:

The respondents who are well aware of the term benchmarking are mainly university graduates, most of them holding Master degree and leading management positions at the highest level of the management hierarchy. They are representatives both of large and medium-sized enterprises, based on the number of employees.

The respondents who are not familiar with the meaning of the term benchmarking are mostly high school graduates, holding leading positions in medium-sized enterprises, based on the number of employees.

Those who have answered that no benchmarking study has been conducted in their company, or that they cannot answer this question are mostly holding medium and senior level positions and university degrees with either Bachelor or master degrees and are employed in almost all areas of management. These are 69% of all the surveyed people. For the most part, respondents from the 69% group cannot answer the questions, regarding whether the analysis of the data obtained from the benchmarking studies leads to changes or improvements and whether these improvements can be called innovations. Very few of them express affirmative or negative opinion.

Companies whose representatives indicate that a benchmarking study has never been conducted or they do not have an Innovation Department, or have one but it does not have clear functions and responsibilities. These companies either do not develop an innovation strategy, or if they do, it is not independent. In the cases, where such strategy is developed, it covers a period between 1 and 5 years.

Only 31% of all the surveyed people indicate that in the companies they represent, a benchmarking study has been conducted at least once, more than 3 times or fairly often. 40% of all the respondents indicate that they have staff trained to conduct benchmarking studies. The benchmarking conducted in these companies is competitive and internal. In all cases it is conducted by a specialised department or employee of the company. For the most part, respondents from this group evaluate the results from these studies as „extremely beneficial, always leading to positive results“. Of course, there is a small part that identifies them as „useless“. The analysis of the data obtained from the benchmarking studies conducted defines them as leading to improvements and changes in the majority of cases. But only 50% of this group only consider it likely to call these changes/improvements innovations. 70% indicate that they have a separate Department for Innovations, with clear or not so clear functions and responsibilities. Absolutely all respondents indicate that an innovation strategy is being developed, whether independent or not, for a period between 3 and 5 years. Not all of them, however, consider conducting benchmarking studies and analyzing the results from them to be related to building the strategy for innovations.

To the question whether there is a Department of Innovations in the companies, they represent, the respondents have given the following answers:

10% of all say they cannot answer the question;

45% answer with a firm 'No';

41% say that there is such a department but its functions and responsibilities are not clear;

Only 4% indicate that there is such a department with clearly defined functions and responsibilities.

In the cases when the respondents give an affirmative answer to the question about the existence of a Department of Innovations in their companies, no matter whether its functions and responsibilities are clearly stated or not, it is indicated that in 70% of these cases the Department reports to the senior management, in 20% it is not very clear and only in 10% it is absolutely independent.

It is interesting to interpret the answers whether a strategy for innovations is being developed at all, irrespective of the existence or non-existence of a Department of Innovations. Looking at the results from this point of view, it can be seen that 10% of those surveyed cannot answer this question while 27% provide a negative answer. But 63% indicate that such a strategy is being developed, no matter whether it is independent or not. These 63% are distributed as follows:

54% indicate that they are developing an innovation strategy, However, it is not independent, but a part of an overall strategy;

Only 9% respond that an independent innovation strategy is being developed;

Of the entire 63% indicating the development of an innovation strategy, irrespective of the mode, 24% indicated earlier in the survey that they do not have a Department of Innovations while 64% have indicated that they have such a department but without clear functions and responsibilities. Only 12% are those who indicated that they have a Department of Innovations with clear functions and responsibilities and they are developing an independent innovation strategy.

The summarised answers to the question whether conducting benchmarking studies and analyzing their results is related to the innovation strategy indicate that:

36% cannot answer this question;

23% are not sure;

Another 23% are hesitant, i.e. according to them, there is not always a connection between the analysis of the data obtained from the benchmarking studies and the innovation strategy developed;

4% strongly disagree with the existence of such a connection;

Only 14% indicate that it exactly these analyses and results that are strongly related to the strategy developed.

It is interesting to note that those who firmly deny the connection between the data obtained from the benchmarking studies and the innovation strategy developed indicate that they have no Department of Innovations and are developing an innovation strategy as a part of the overall company strategy.

Those who consider such a connection likely, i.e. it is not always present, have a Department of Innovations in their companies but it has no clear functions and responsibilities while the strategy in the field of innovations is most often not independent.

The distribution of those who consider conducting benchmarking studies and analysing the data obtained related to the innovation strategy development is really interesting:

30% have no Department of Innovations at all;

30% have such a Department but its functions and responsibilities are not clear;

40% have a Department of Innovations with clear functions and responsibilities.

100% of the people in this group indicate that an innovation strategy is being developed but not an independent one.

3. CONCLUSIONS

From the survey data obtained and their analysis the following conclusions can be drawn:

In general, representatives of both sexes participated in the survey, their age being mostly between 40 and 49 and most of them university graduates. Therefore, it can be argued that the requirement for representativeness of the sample is met.

Concerning the requirement for representatives of medium-sized and large enterprises to participate in the survey, it can also be considered as observed since 50% of the surveyed individuals represent medium-sized enterprises with staff of 5-10 employees and the remaining 50% are divided between large companies with staff of 50 to 100, 100 to 200 and over 200 employees.

The term benchmarking is not understood well enough. The author has come to this conclusion based on the following data: only 55% of those surveyed indicate that they fully understand its meaning while 32% are familiar with the term but it is not clear enough for them while 13% are not familiar with it at all. It turns out that the awareness of the nature of benchmarking does not depend on education, position held or functions to be fulfilled. This is illustrated by the fact that the respondents not familiar with the term are senior managers (67%) and mid-level managers (33%), of them (67%) with high school education and 33% are university graduates with Master or Bachelor degrees. Concerning the respondents who have come across the term benchmarking but are not certain about its meaning, the results show that they are mostly senior and mid-level managers with only a small part in the administration (14%), almost all being university graduates (Master or Bachelor degrees) and only 14% with secondary education. At the same time, the respondents who are fully familiar with the meaning of the term benchmarking in their majority are involved in senior and mid-level management, with only 8% engaged in administrative activities. Almost all of them being high school graduates. All this leads to the idea that regardless of education, position held and functions performed, benchmarking is not widely represented and sufficiently known and understood by the Bulgarian business practice, and consequently, its potential is underused.

The companies participating in the survey, which have conducted benchmarking studies fairly often, more than 3 times or just once are only 31% of all. In support of the above-mentioned claim, a connection can be made between the awareness of the term benchmarking and the benchmarking studies conducted in the organisation:

Representatives of the organisations, holding benchmarking studies fairly often have indicated that they are fully aware of the meaning of benchmarking as a term;

In the case where respondents have indicated that benchmarking studies have been conducted more than 3 times in the companies they represent, there is a complete and clear understanding of the benchmarking concept;

In the companies where a benchmarking study has been conducted only once, their representatives are familiar with the term benchmarking but not completely certain about its meaning.

In the case where the respondents indicate that a benchmarking study has not been conducted in their company, or they cannot provide an answer to this question (a total of 69%), the following structure is observed:

Yes, I am fully aware – 40%;

Yes, but I am not quite certain – 40%;

No, I have never heard of it – 20%.

Hence the conclusion in support of the author's thesis that even if it is known among the managers in the Bulgarian business environment, benchmarking is not widely implemented and its potential is not sufficiently known to the Bulgarian business.

The companies where benchmarking studies have been conducted, have most often implemented internal, competitive, strategic benchmarking, directed to the areas of competition, management, production/ improvement of existing products. From the small number of respondents, stating that

benchmarking has been conducted in their companies, only 30% have conducted internal or strategic one. The remaining 70% have done competitive benchmarking, which could be interpreted as conditional/ indirect proof of the author's thesis about the insufficient and incomplete knowledge and implementation of the benchmarking potential as an innovative approach since the competitive benchmarking (mainly used by companies conducting benchmarking studies) is very close to comparative analysis.

Of all 31% of respondents, representing organisations, conducting a different number of benchmarking studies, 42% indicate that the companies employ staff that has been trained to conduct such studies and in 90% of the cases this is who has been responsible for these studies. It brings us to the conclusion that in 58% of the cases, benchmarking studies are conducted by untrained company employees. This, in its turn, suggests to the author that the benchmarking studies conducted by untrained employees have not been organised and conducted according to the true principles of benchmarking, i.e. the data obtained and their analysis could not have been reliable enough.

The representatives of the companies that have conducted benchmarking studies, in general, find the results from them mostly "very useful and always leading to positive outcomes" and a very small part consider them „useless“. For the biggest part, these respondents find the analysis of data from the studies conducted as leading to change or improvements in general. But could these improvements be called innovations – about 40% tend to call them that. This result confirms the thesis yet again that benchmarking and its application and benefits are not popular enough and used sufficiently in Bulgarian business practices.

In the cases where no innovation strategy is being developed (27%), or the respondent cannot answer this question (10%), no benchmarking study has been conducted or the respondent cannot answer this question. In these cases, there is no Innovation Department in any form.

In the cases where an innovation strategy is being developed, and it is not independent but rather a part of another company strategy, the respondents indicate that no benchmarking study has been conducted in their company. Most of the companies in this group have a Department of Innovations even if its functions and responsibilities are not clear.

In the cases where an independent innovation strategy is being developed, the companies split in two halves, i.e. 50% of them have a Department of Innovations, even if its functions and responsibilities are not clear while the other half have no such Department at all. At the same time, 50% of them have often conducted benchmarking studies while the other half have never done this. It means again that the potential of benchmarking as an innovative approach are not known or not used by the management.

Analysing the answers to the question: „is the conducting of benchmarking studies and the analysing of the results from them related to the innovation strategy“ we are not surprised to see that 63% of the answers are either „no“, „I am not sure“ or „I can't answer“. Here it is important to note that the respondents, providing these answers, have indicated that no benchmarking study has been conducted in the companies they represent, or they have no information and cannot answer. In 23% of the cases the answers are „I am not sure“. In these cases, the respondents have indicated that in the companies that they represent, benchmarking studies have been frequently conducted. Only 14% of the respondents think that there is a clear relation between the benchmarking studies conducted and the analysis of results obtained and the development of an innovation strategy.

To sum up, a very small number of companies, developing their own innovation strategy, whether it is independent or integrated in another strategy, use the potential of benchmarking as an approach to developing an innovation strategy.

From all the conclusions drawn so far, it can be concluded that in the Bulgarian business practice the term benchmarking is known, though rather insufficiently. It is hard to define the content and essence of benchmarking as well-understood by the management in the Bulgarian manufacturing

companies. This leads to ignorance and misunderstanding of the principles of application and the benefits from implementing benchmarking as an approach to innovation management.

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